



**Approved**

**SCOTTSDALE CITY COUNCIL  
JOINT TASK FORCE ON THE ARTS  
PUBLIC MEETING  
TUESDAY, APRIL 25, 2006  
KIVA CONFERENCE ROOM - CITY HALL  
CITY OF SCOTTSDALE, CITY HALL, 3939 N. DRINKWATER BLVD.  
SCOTTSDALE, AZ 85251**

**PRESENT:** Wayne Ecton, Councilman  
Betty Drake, Councilwoman  
Ron McCullagh, Vice Mayor  
Louise Roman, Scottsdale Cultural Council Board (arrived 11:45)  
Dick Hayslip, Scottsdale Cultural Council Board

**ABSENT:** Gail Bradley, Scottsdale Cultural Council Board

**STAFF:** Frank Jacobson  
Michelle Korf  
Craig Clifford  
Art Rullo  
Donna Bronski  
Valerie Vadala Homer  
Margaret Bruning

**CALL TO ORDER/ROLL CALL**

The meeting of the Joint Task Force on the Arts was called to order by Councilman Ecton at 11:39 a.m.

**GENERAL BUSINESS**

**1. Approval of Minutes from the April 14 meeting.**

Councilman Ecton expressed appreciation for the level of detail contained in the current meeting minutes.

**CO-CHAIRMAN HAYSLIP MOVED TO APPROVE THE MINUTES OF THE APRIL 14, 2006 MEETING. SECONDED BY COUNCILWOMAN DRAKE, THE MOTION CARRIED UNANIMOUSLY BY A VOTE OF FOUR (4) TO ZERO (0).**

**2. Review of Policy Issues Identified by the Public Art Audit.**

Ms. Korf reviewed the policy-related audit issues from the recent Percent for Art Audit.

The first recommendation pertains to the establishment of a due date for the completion of the new Ordinance, giving consideration to public input and City Council review. Where possible, the recommendation is to incorporate changes in time for the 06/07 budget.

In response to an inquiry by Councilwoman Drake, Ms. Korf explained that the schedule for the Public Art Ordinance Amendments is to be established with the assistance of the Task Force. Staff had hoped to have as much in place as possible for the fiscal '07 budget.

Councilman Ecton opined that the relevant portion of the work and decisions to be made would likely not be completed in time for the budget for the coming year. Ms. Korf noted that as a consequence, the current interpretation of the ordinance will continue to be applied.

In response to an inquiry by Mr. Jacobson concerning the procedure for paying for maintenance, conservation, and administrative overhead if the ordinance change has not been completed by the end of the fiscal year, Ms. Korf affirmed that, for now, the existing capital project will continue to fund maintenance and program costs, as is the current practice.

Noting the need to address a new policy on maintenance issues, Mr. Clifford suggested handling maintenance issues based upon a life-cycle cost criteria.

In response to an inquiry by Ms. Korf, Councilman Ecton confirmed that the Task Force will not complete its work in time for the '07 budget.

Ms. Korf noted the recommendation from the auditors to initiate a review of the Management Services Agreement between the Cultural Council and the City in order to:

Pursue a more specific definition of the Cultural Council's scope of work for the Public Art Program, including expectations for the maintenance of the collection;

A requirement for performance measures;

An expectation for specific internal control;

A prohibition against entering into a contract to purchase, commission or accept the donation of art work that will be accessioned into the collection and will commit the City to future actions.

Ms. Korf noted that a draft of the performance measures will be presented at the next meeting.

In response to comments by Councilwoman Drake regarding the scope of work for the Public Art Program, Ms. Vadala Homer committed to present the proposed work plan for fiscal year 07 at the next meeting.

Mr. Jacobson asked whether the strategic planning process could be linked to City approval as the plan is updated on an annual basis. Ms. Korf indicated that a defined process has not been established yet and that because the art program is entirely funded by the City, the auditor felt that City Council should review and consider any expansions to the program that would impact program funding. The audit did not take issue with an established program so much as a growing program or moving it in a different direction without input from the Council.

Ms. Vadala Homer explained that the Public Art Board reviews and recommends a work plan every year. The auditor's suggestion was that the City Council be particularly cognizant of any expansion of the program.

Mr. Jacobson clarified that his question is: How does the City view the contract with the Cultural Council? What is the Cultural Council expected to do on behalf of the City? How do City staff's responsibilities merge with Cultural Council responsibilities?

Ms. Korf stated that this will be addressed as a part of the contract renewal.

Ms. Homer remarked that the reason the Cultural Council was formed and the Public Art Program included as a Cultural Council responsibility was to remove art-related decisions from the City Council. Ms. Homer feels that the auditor's recommendation, to a large degree returns that responsibility to the City Council and would politicize the process.

Vice Mayor McCullagh agreed with the original intent of the separation and opined that experts should be choosing the art. He elaborated that while Councilmembers agreed that experts should choose the art, there was some discussion that perhaps Council might direct the money slightly differently. He noted that he was not making a recommendation, but did recall the distinction between the two points.

In response to an inquiry by Ms. Roman concerning how Public Art Day related to the audit, Ms. Homer explained that the audit questioned whether City Council was cognizant of Public Art Day, which was an educational outreach event.

Councilman Ecton recalled that there has been a feeling from time to time that City Council should recommend how much be spent in each area of the Cultural Council. He agrees to some extent, but opined that the Cultural Council should maintain the right to present their budget in terms of how much they have programmed to spend, at which point the City Council can opt to agree or disagree.

Councilwoman Drake agreed, concluding that a high altitude look at the objectives and work program would be a viable subject for Council discussion, which the Public Art Program should then use as input.

Ms. Korf introduced the next audit item for discussion, concerning the expectation for a sufficient internal control and a requirement for annual certification by Cultural Council management that routine internal audits are performed to ensure that the internal controls are working as designed.

Mr. Jacobson reported that more routine internal audits would be conducted. Additionally, the scope for their external auditor has been significantly expanded.

Ms. Korf introduced another audit item, noting that this issue relates to the Public Art Program entering into a contract to purchase, commission, or receive a donation of a piece of artwork that will be accessioned to the City's collection, and that does not have review and approval by the City. This item came about in relationship to maintenance and restoration costs of accessioned artwork and allowing for the City to be aware of and provide input to those decisions.

Councilman Ecton noted that this audit item refers to major items that could have a significant financial impact on the City. Mr. Clifford commented that the item should be looked at in terms of aggregate when considering small pieces that collectively could create an enormous maintenance issue. Councilman Ecton noted issues relative to the lack of storage and suggested that an exercise in good judgment should be used when accepting artwork.

Ms. Homer reported that a five- and 20-year look at projected maintenance costs has been created and submitted to the city. The current policy for taking a donated object depends upon whether the item can be placed. Unless the item has extraordinary value, can be placed within a short period of time or is worth an investment in storage, donated artwork will not be accepted. There is a provision, either in the Ordinance or the Code, which requires the City Manager to sign off on items that require extraordinary maintenance. As a result of the audit, staff is working to provide more clarity on this.

Referring to the recommendation requiring that any funds provided to the Cultural Council for the administration of the Public Art Program be disclosed, Ms. Korf noted that the Public Art workplan, budget and performance measures will be submitted to City Council as a part of the Cultural Council's Annual Financial Participation Agreement on June 20.

Item number four recommended that the contract administrator establish a process to conduct evaluations and cost benefit analyses for planned scope expansions to the Public Art Program and obtain City Council approval prior to committing additional City funds. Ms. Korf explained that this item is tied to the development of the Public Art work plan, which will be seen as part of the Annual Financial Participation Agreement.

In response to an inquiry by Councilwoman Drake regarding staff's ability to conduct a cost benefit analysis for art, Ms. Korf indicated that any requests for

expansion to the Public Art program's scope would be thoroughly reviewed and tested through the City's budget process.

Ms. Korf requested that number five, requiring that the Cultural Council adopt specific standards, regarding how public art funds are accounted for, be deferred to another meeting. She noted that Cultural Council staff is researching the implications of the recommended standards.

Ms. Korf explained that the contract requires that public art funds be accounted for separately, but does not specify a methodology or a standard. The auditor has recommended a specific standard be applied.

Discussion ensued in an attempt to determine and clarify the auditor's recommendation regarding accounting methods.

Ms. Korf suggested this for a future discussion. Mr. Clifford recommended that the internal auditor attend a subsequent meeting. He also suggested that there needs to be accountability for public art funds via the creation of a specific audit trail, which he opined could be accomplished in various ways.

### 3. **Public Art Ordinance Update.**

Ms. Korf noted that the packets include information promised from the previous meeting: A best practices summary with regards to maintenance of public art in other communities and a list of funding types that are eligible or may be ineligible for a one percent draw for public art. The listing of funding types included in the packet is the result of work performed by the Bond Council, directed by Art Rullo.

Mr. Clifford surmised that when the one percent program was initiated twenty years ago, the thinking was to take a minimal amount of dollars as a percentage of the current investment capital in the community, and ensure that an art element is included. The City has historically tried to apply that overall Ordinance in a very cautious manner, because the City has various unique funding sources, some of which have restrictions. Not all funds can be used for a general purpose. He also noted that not all cities fund art the same way and presented an example relative to the Preserve.

Mr. Clifford elaborated that diligent attempts have been made to apply the revenue source restrictions, but specific language was never incorporated into the Ordinance. The Ordinance currently states that one percent of the total capital can be used, which could cause problems. He strongly suggested that the new Ordinance be reworded to encompass specific language.

Councilman Ecton queried the possibility of inserting dollar amounts into the matrix by category. Mr. Clifford noted the dilemma regarding the overall percentage and cited the difficulty in determining maintenance and acquisition costs, as well as capital funding, which change from year to year. Mr. Clifford suggested that to support an operational plan over time, a plan needs to be defined and a desired dollar amount established. Further discussion ensued.

Councilman Ecton expressed understanding the difficulties and complications, noting that the Task Force needs something to work with in order to make some decisions regarding necessary elements to include in the ordinance. Mr. Clifford suggested that the Task Force to leave room for corrective action or adjustments in the final analysis of the new Ordinance.

Councilman Ecton acknowledged that the Task Force is trying to create a tool for that could be used for good planning and good decisions.

Discussion followed regarding budget analysis and budget projection options. Mr. Clifford committed to provide the Task Force with an analysis based upon the current five-year projections.

Councilman Ecton suggested that the Ordinance include the requirement that, in the case of receiving a specific dollar commitment for public art, an occupancy permit will only be issued when the commitment has been met.

Related to that, Ms. Korf referenced the "list of objectives" included in the packet. This list includes the specific items that the Task Force has identified to be incorporated into the new Ordinance. The list will continue to be a work-in-progress, but will serve as the foundation for the Ordinance itself. Ms. Korf will add "enforcement of obligation" to the list.

Ms. Korf directed attention to the best practices summary regarding conservation and maintenance of public art. Ms. Homer distributed a Public Art conference schedule, noting that the issues related to conservation and restoration are at a crisis level across the country, that the major focus of the upcoming conference is conservation/restoration.

Ms. Homer presented the results of her research to date, including a brief synopsis of the Fairmont Park Association conservation/restoration program; the Cambridge, Massachusetts program; the Brower County two percent program; and the Richmond, California program, which takes one percent for art and .5 percent for maintenance, conservation, community outreach, education, documentation, publicity, promotion, and administration.

In response to an inquiry by Ms. Homer, Ms. Bronski explained that a resolution sets policy and does not have enforcement, whereas an ordinance is enforceable, can allocate money, and sets administrative and implementation requirements which could not be included in a resolution.

Ms. Homer noted that research continues with regard to models that are using CIP for conservation and their alternative funding sources. Councilwoman Drake requested that the Task Force be provided with a summary of the research.

Discussion ensued regarding the state of conservation and restoration of artwork in Europe, followed by discussion regarding various cities, unlike Scottsdale, that have not maintained the practice of restoration/conservation of artwork.

In response to an inquiry by Ms. Roman concerning citizen-based initiatives, Ms. Homer explained that formal community guidelines were created when the

policies were revised. The formal community guidelines state that the Public Art Board dictates the location for the object and that the citizens are required to contribute a certain amount towards the longevity of the piece for conservation/restoration.

4. **Agenda for Next Meeting.**

The next meeting is scheduled for May 10th. The following meeting is scheduled for May 24th.

Councilman Ecton noted that lunch would be available at 11:00 and the meeting will begin at 11:30.

The Cultural Council's internal auditor and Jim Greene will be invited to attend the meeting along with a representative from the financial department.

**PUBLIC COMMENTS**

None.

**ADJOURNMENT**

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 12:58 p.m.

Respectfully submitted,  
A/V Tronics, Inc.